Trade Deficit

111. DR. V. MAITREYAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) what is the total value of the trade deficit during the current financial year;

(b) what are the main reasons for the huge trade deficit which is increasing regularly;

(c) what steps are being taken to improve the situation *vis-a-vis* the import substitution; and

(d) what steps are being taken to improve the trade with many developing countries to boost exports?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) During 2007-08 (April-December), on customs basis, while total value of exports were of the order of US$ 111049.70 million, the total value of imports were US$ 168871.01 million, resulting in a trade deficit of US $ 57821.31 million.

(b) The major reasons for increase in trade deficit can be attributed to the incerase in the import of capital goods and raw-materials, increase in the prices of petroleum products and also exports growing at a lower rate than that of imports .

(c) While it is the endeavour of the Government of promote exports through initiatives in accordance with the provisions under the Foreign Trade Policy (2004—09) and its Annual Supplements, suitable mechanism have also been put in place for monitoring the imports of sensitive items and to safeguard the interest of the domestic producers by resorting to various WTO compatible measures, which include calibration of applied tariff within bound tariffs, anti-dumping and safeguard action and imposition of countervailing duties etc.

(d) In order to enhance Indian exports to developing countries, the Government have initiated various integrated programmes like "Focus LAC", "Focus Africa", "Focus CIS" etc. besides setting up of joint forum on trade and investment for increasing bilateral trade, joint commissions on trade and economic cooperation, Agreement under SAFTA for SAARC LDCs. Under the Market Development Assistance (MDA) Scheme and Market Access Initiative (MAI) Scheme of the Government, assistance to exporters and Export Promotion Councils is also provided to promote Indian exports all over the world including developing countries.

Acquisition of military hardware from USA

112. SHRI AMAR SINGH: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have recently finalized defence contracts with USA for acquisition of military hardware which include Super hercules aircraft which is also supplied to Pakistan by the same vendor;

(b) if so, the details thereof; and

(c) whether Government have since abandoned its policy of not procuring military hardware which have already been acquired by Pakistan and if so, the reasons therefor?